OHIO RAIL DEVELOPMENT COMMISSION

1980 WEST BROAD STREET • COLUMBUS, OH 43223

JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

September 9, 2011

Dear Commissioners:

Enclosed please find relevant information to the **Thursday, September 15, 2011** Commission Meeting. Minutes of the July 14, 2011 Commission Meeting are included for your review.

This meeting will be held at the **Ohio Department of Transportation Headquarters, 1980 West Broad Street, Columbus, Ohio, Room GA, Lower Level**. Standing Committees of the Commission will meet before the Commission Meeting as follows:

Long-Term Strategy/Economic Development Committee	Room 3C
Human Resources Committee	Room 3A
Contract and Property Advisory Committee	Room 3B

All Committee meetings begin at 10:00 a.m. The ORDC Commission meeting will begin promptly at 11:00 a.m.

If you haven't already done so, please contact Megan McClory to confirm your attendance. You may reach her at 614/644-0289 (telephone) or by e-mail at megan.mcclory@dot.state.oh.us.

We look forward to seeing you.

Sincerely,

James G. Bradley
Chairman

Enclosures

OHIO RAIL DEVELOPMENT COMMISSION

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JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

COMMISSION MEETING AGENDA
Thursday, September 15, 2011, 11:00 a.m.

Ohio Department of Transportation Headquarters
1980 West Broad Street, Room GA, Lower Level, Columbus, Ohio

CALL TO ORDER: James G. Bradley, Chairman

- Welcome
- Roll Call
- Approval of Minutes from July Meeting

EXECUTIVE DIRECTOR REPORT: Matt Dietrich

FINANCE REPORT: Megan McClory

ITEMS FOR APPROVAL

- 11-09 Administration of TRAC Award for Village of Leipsic Railroad Project
- 11-11 Wheeling & Lake Erie Sandy Line Safety Tie Project
- 11-12 Glass Rock Branch Lease Extension with the Zanesville & Western Scenic Railway

APPROVED PROJECT BRIEFINGS

- RJ Corman Cleveland Line: Wooster Branch Rehabilitation
- Marne Culvert Replacement

CSX BUCKEYE YARD EXPANSION UPDATE

OLD BUSINESS

NEW BUSINESS

PUBLIC COMMENT

EXECUTIVE SESSION

- To Consider Matters Related to the Employment of the Executive Director (Performance Evaluation)

ADJOURN

MINUTES OF THE OHIO RAIL DEVELOPMENT COMMISSION
REGULAR BI-MONTHLY MEETING
July 21, 2011

CALL TO ORDER

The meeting of the Ohio Rail Development Commission was called to order by Chairman James Bradley at 11:07 a.m. on Thursday, July 21, 2011. Chairman Bradley thanked everyone for coming to Cincinnati for the meeting. He said we are looking forward to the presentation from OKI. Chairman Bradley thanked OKI for their hospitality and for allowing us to use their facility. Megan said the first site we will be visiting after the meeting will be the Fulton Railroad site. We will see a transload facility where they transload materials from river to rail. The commission provided a transload grant to the operators of that facility to buy some equipment. The second site is McCullough Yard, which is an I&O Yard. We will see some locomotives in which they have installed APUs (Auxiliary Power Units) that was done with the assistance of a Diesel Emission Reduction Grant (DERG) that the commission administered.

MEMBERS PRESENT

Members present included: Chairman James Bradley, Commissioners Tom McOwen, Bill Lozier, Solomon Jackson, Herk Wolfe and Ron Rasmus. Executive Director Matt Dietrich and Commissioners Bennett, Green, Murphy, Greenlese, and Sowers were unable to attend. There were six voting members present, therefore a quorum was obtained.

APPROVAL OF THE MINUTES OF THE MAY MEETING

Chairman Bradley asked for a motion to approve the minutes of the May 12, 2011 meeting. Commissioner Wolfe moved to approve the minutes and Commissioner Lozier seconded the motion. Roll call was taken. The minutes were approved as presented with six votes in the affirmative.

EXECUTIVE DIRECTOR'S REPORT

Secretary-Treasurer McClory presented the Executive Director's Report, which can be found on page 9 of the commission packet. Secretary-Treasurer McClory reviewed the commission activities since the May meeting. Ms. McClory said that in late May, the FHWA's national review team did a comprehensive review of the administration of the ARRA Stimulus projects. They have not received any formal feedback. Ms. McClory said on a whole, they did seem pleased with the work that was being done and the administration of the funds. They were very comfortable with the relationship between ORDC and ODOT. They identified some areas where we may want to do things a differently if we have federal funds that are again eligible for rail projects.

Ms. McClory said that staff and Wilbur Smith have been working with the railroads regarding the benefits calculator and the revised application form. Three shortline railroads volunteered to test the application. They gave us a substantial amount of feedback. On the whole, they were happy with what they are seeing. They felt like they have a better understanding of what we are looking for when we ask them to fill out an application. They were also very interested in seeing us migrate the application to a web based process. Ms. McClory said that in the next week or so, we will receive a revised final draft of the benefits calculator and the revised application form.

Ms. McClory said that staff has provided input to the OKI Regional Freight Plan. The feedback is included in the packet and the plan is online.

Ms. McClory said that staff issued the annual solicitation for rail line rehabilitation projects. Lou and Tom are busy reviewing the applications and are conducting field reviews of potential projects. Staff anticipates projects for consideration by the Commission at the September meeting.

Ms. McClory said that Chairman Bradley and Director Dietrich met with the ODOT Director's Task Force to discuss Commission activities, Commission structures, and how the Commission functions. Good feedback was received from the meeting.

Ms. McClory said that in addition to the activities the staff participated in since the May meeting, in the Sarah E. Hughes vs. ORDC case, a settlement agreement has been entered with the plaintiffs. There is an item being considered by the local planning commission early next week that wraps up all the pieces of the settlement agreement. Once all that is finalized, we should be able to move forward with repairing the bridge. Ms. McClory also said that Stu Nicholson attended an Operation Lifesaver event on the Wheeling and Lake Erie. His report is included in the packet.

FINANCE REPORT

Megan McClory, ORDC's Secretary-Treasurer, presented the Finance Report to the Commissioners, which can be found on page 15 of the commission packet. The final year-end reports are attached. We closed the fiscal year with a balance of exactly $0 in our project budget. We were very efficient in use of our funds. Ms. McClory said we managed to get a number of projects in under the wire.

Ms. McClory said OBM released approximately $151,000 that had been withheld from ORDC's budget since the start of the fiscal year. The Newark Yard Expansion was funded with the majority of those funds.

Ms. McClory said that the 2012-2013 Budget has been passed. ORDC's spending authority includes: Grade Crossing Safety appropriations of $15 million per year, General Revenue Fund appropriations of $2 million which is a little over 10% reduction from last biennium, and approximately $2.9 million in loan funds and Panhandle debt reserve appropriations.

Ms. McClory said the ARRA projects are moving along. The Heartland Corridor project, which was initiated by NS and OKI, is well under way. She said three out of five of the projects are almost finished. The CSX National Gateway projects we are administering are also moving forward. Ms. McClory said the City of Youngstown/Brier Hill Industrial Park project has completed its third round of bidding. The city should be issuing the Notice to Proceed next week.

RESOLUTION 11-09 – VILLAGE OF LEIPSIC RAILROAD

Commission Jackson recused himself. Alan Klodell said that a vote would not be able to be taken on the resolution because we need six affirmative votes to pass. Chairman Bradley said that we would go ahead and hear the issues and table the vote until September.

Megan McClory presented the briefing found on page 21 of the commission packet. The project is an award that ODOT TRAC (Transportation Review Advisory Council) made to the Village of Leipsic. The Village at the time they applied to TRAC, was intending to construct a substantial

railroad infrastructure project. They estimated around $11 million to augment the capacity of existing rail users at their Iron Highway Industrial Park and to provide on-site rail infrastructure for the Village's Job Ready Site. The park has significant utilities available and is served by three railroads. They expect that having three railroad's capacity will be attractive to developers and manufacturers. Ms. McClory said that the commission participated in some of the rail development. In 2007, we issued a grant of $100,000 and a loan of $825,000 to help build new track.

As project development moved forward in regards to the $800,000 TRAC award, that $800,000 was initially intended to be used all for design work and working together the Village, ODOT District, and ORDC determined that a better use of funds would be to construct as much rail infrastructure as possible with the money available. The group also felt that ORDC's processes would be a much better fit to the funding available and to the timeline of the project.

Ms. McClory said that staff is asking for the commission to approve, at the September meeting, that the ORDC administer the funds and administer the project on behalf of ODOT. We would enter into an agreement with the Village. The Village will then hire a firm to do design, hire a construction company to build the infrastructure, and we will administer the project very similar to the way we administer our regular grant funds.

Chairman Bradley said he was curious as to how they can obtain benefits for $800,000 when they originally estimated the project for $11 million. Lou Jannazo said the $11 million figure would be for building all of the infrastructure anyone could possibly imagine for large companies. This $800,000 would be for the wye track that leads into industrial sites that everything else will flow from. ODOT will be using state funds. The value added we have is our experience in running contracts with grant agreements. The plan is to do a design build for the wye track at the entrance of the park.

Chairman Bradley asked if the money it costs us to administer this project came out of the $2 million in the next budget. Ms. McClory said it would come out of ORDC's operating budget, but she does not anticipate we would have any costs above what we are already paying our employees. Commissioner Lozier said we have discussed this before. It is a policy discussion. Is staff time chargeable for projects? Mr. Jannazo said no. We do not charge staff time to projects. What we do is value added. Chairman Bradley agrees with Mr. Jannazo. Even though we are not getting funding for it that is what we are all about. Commissioner Lozier said the way he understands the Job Ready Site Program is that once the site is built, the companies will come. He asked if we knew if the company that was coming in the future would have any rail dependency and if the $800,000 should be spent or should it be put into escrow. He asked how we decide to spend the $800,000. Mr. Jannazo said that ODOT made the decision to spend the money. Mr. Jannazo said the park is 15-20 miles away from a four lane road. Mr. Jannazo said the funding is not gas tax. It must be flexible money or blue sign money. Chairman Bradley said that it was a good discussion and we will table the vote until September.

RESOLUTION 11-10 – COLUMBIANA COUNTY PORT AUTHORITY LOAN MODIFICATION

Megan McClory presented the briefing found on page 25 of the commission packet. Ms. McClory said this is the sixth request to modify the terms of the loan since it was first approved in September 2003. The loan was initially made to rehabilitate the former Youngstown and

Southern line. The commission approved the most recent modification in 2009. The operator has not made any payments since March 2010. Ms. McClory said that due to financial and permitting issues, operations at the landfill facility are minimal. In addition to the ORDC loan, the CCPA is the official borrower on an outstanding loan from PNC Bank.

Ms. McClory said an investment group has been assembled to purchase the landfill and rail line. The investment group estimates that the rail line needs $2 million in investment immediately to restart operations and between $5 and $7.5 million within the next three years. Ms. McClory said the investment group's proposal is to execute a purchase agreement immediately and apply immediately to the FRA for financing. The CCPA will be the applicant, the investment group will be the co-applicant, and the loan will be used to acquire the rail line and refinance the repair of the railroad. Presuming FRA approval of the loan, the investment group will rehabilitate the line and provide repayments to ORDC and CCPA of $45 per car until the loans are repaid. They anticipate 5,000 car loads per year. Director Dietrich and Ms. McClory feel this proposal is the best likelihood of recovery of the principal of the loan. Given that there is very little rail traffic on the line now and ORDC has not received any payments since March 2010, the probability of repayment under the current circumstances appears low. Ms. McClory said that staff recommends that the terms of the loan be modified to allow the Executive Director to determine final terms of the loan work-out with the conditions that any such work-out provide for full recovery of principal of the ORDC loan.

Commissioner Jackson said we have continued to defer on this project. He asked if it was realistic for them to say they were going to invest $16 million here, another $7.5 million there, and another $2 million there. What happens if FRA doesn't approve the loan? He wonders if there is a smarter approach to have a more realistic outcome. They are estimating five thousand car loads. Five thousand car loads of what? He wants to make sure we protect the public interest as best as we can. He said working out payments is one thing. This is a departure from us deferring the loan. What do we know about the players that have assembled an investment group? Mr. Jannazo said if it crashes and they can't get C&D traffic, we are back to square one. We have to get in line with other creditors to get our money back.

Commissioner Rasmus said he shares Commission Jackson's views. Are we collecting interest only? Can we negotiate the interest amount? Commissioner Rasmus has no problem in giving the Executive Director authority to negotiate. He would just like to have more information.

Ms. McClory said that ETC Capital is the name of the investment group. They successfully secured an FRA RRIF loan for $17 million for the Great Lakes Central Railroad last year. That loan was one of only two that have been closed by the FRA in the last year and a half. They are in the final stages of a $25 million loan for a rail to truck terminal on Long Island. They have had good results in the past in securing FRA funding.

The current loan's outstanding balance is $1.2 million, notwithstanding late fees, and including $53,000 interest. We would need to ask both parties about paying interest only. Ms. McClory said the outstanding loan is from PNC Bank. The Port Authority is the borrower of the loan. The first proceeds would go to the bank. Commissioner Jackson said if he remembers correctly, at our retreat a gentleman from Wheeling and Lake Erie told us about the pretty involved process in obtaining a RRIF loan. What if the RRIF loan would not be approved? Commissioner McOwen said we have two choices. We either go along with this plan or we force abandonment

of the line. Chairman Bradley said we can authorize Matt to work out the details of this deal. We can modify the resolution if we have to. Mr. Jannazo said the deal has to be worked out before the RRIF loan approval. He said the one consistent player is Guy Fragle at the landfill. Chairman Bradley said that we are at a disadvantage without Matt here since he has been spearheading these discussions. Chairman Bradley said the commissioners are a little uncomfortable with the amount of detail. They want to know more. Commissioner Lozier asked why we would waive the late fees. Chairman Bradley said if it is profitable, we should be able to recoup. Chairman Bradley said we will table a vote until September.

OKI REGIONAL FREIGHT PLAN PRESENTATION

Mark Policinski, Executive Director of OKI gave a power point presentation on OKI's Draft Regional Freight Plan. (The slides are on file at ORDC.)

APPROVED PROJECT BRIEFING: COLUMBUS & OHIO RIVER RAILROAD EXPANSION OF NEWARK YARD

Mr. Jannazo presented the briefing found on page 31 of the commission packet. Mr. Jannazo said this project is to enhance the capacity of Ohio Central's Newark Yard to make it more effective. Ohio Central bought a line from N & W from Zanesville to Brewster, they bought a former Conrail line from Zanesville to New Lexington, they picked up the Panhandle, and they picked up lines from CSX from Newark to Mt. Vernon and Newark to Cambridge. There are not a lot of yards in east central Ohio. They struggle to handle all the traffic. The Newark Yard was not configured for traffic from all other lines. Mr. Jannazo said they secured $1.5 million from ODOD. The total cost of the project is $2.4 million. The railroad is going to put in at least $650,000. The last piece of the puzzle will be the $150,000 from ORDC. The list of work needed to be done is found of page 32. Mr. Jannazo said we are really just finishing off the yard. The money is coming from 2011 fiscal year money. The service to 84 customers will be enhanced. Jerry Sattora with the Ohio Central is here to answer any questions.

OLD BUSINESS

There was no old business to come before the Commission.

NEW BUSINESS

Chairman Bradley said that he had been talking to Matt about the employee evaluations that Matt and his management staff have been performing over the last few weeks. Chairman Bradley asked Matt if he had ever had a review and Matt said he hasn't. Chairman Bradley feels we need to perform an Executive Director Evaluation. There are two reasons for this. One is that it is good governance to evaluate the Executive Director and the second reason is that it is fair to Matt to get feedback from the commission. Chairman Bradley suggested forming a group including himself, Vice Chairman McOwen, and the Chair of Human Resources, Commissioner Jackson. He has asked Matt to perform a self-evaluation. Matt would be more familiar with the criteria he feels are most important of his duties. The group will then use Matt's self-evaluation to determine the most important attributes of the Executive Director and to provide feedback. Chairman Bradley said at the next commission meeting we will have an Executive Session for the overall view of Matt's evaluation. Commissioners can provide any comments to Chairman Bradley, Vice Chairman McOwen, or Commissioner Jackson to let them know of the attributes of the job that they feel should be considered and how Matt is performing in his job.

Suzy Pettet informed the commission that her last day will be July 29th. She said she has enjoyed working at the commission and she will miss everyone.

PUBLIC COMMENT

Art Arnold said he thinks it is great that the commission is moving around the state. He thanked Suzy for all she did and he wished her luck.

ADJOURNMENT

Chairman Bradley adjourned the meeting at 12:40 p.m.

TO: ORDC Commissioners

FROM: Matthew Dietrich

SUBJECT: September 2011 Executive Director's Report

This document reflects the accomplishments and highlights of the Ohio Rail Development Commission since the July Commission Meeting.

1. National Gateway Update: The actual project is moving forward well. The only unanticipated event for the project so far was the recent CSX derailment which resulted in the removal of the 5th Street Bridge in Niles, Ohio a little sooner, and in a much different manner, than scheduled. One of the latest developments in the administration of the project is that the National Gateway project has been selected by the USDOT Inspector General's Office as one of the TIGER Grants to audit. Assuming no new issues, staff time on this project will be spent working with CSX on the first performance measure report due September 30th as well as continued project oversight and monitoring.

2. State Rail Map Request for Proposal (RFP): It is time to produce a new rail map and we are trying something different this year. We are going to develop an RFP to determine if we can contract out the entire process, including soliciting sponsors for the map to cover the costs. While we have not finalized this yet, we will keep the Commissioners updated on the progress.

3. Grade Crossing Program: There continues to be a lot of activity in regard to the program management of the Grade Crossing Section. First, attached to this report is a copy of the Rail – Highway Grade Crossing Safety Section of the Highway Safety Improvement Program (HSIP) report. This report is a federally mandated annual report documenting the State's overall Highway Safety Programs. This report might look new to you because this is the first year that the FHWA has gone to an electronic submission. This created a big challenge for staff because in the past, a large portion of the report was narrative. Now it is pull-down menus and very limited space to describe the programs. Cathy Stout was the lead for this project and did an outstanding job as she essentially had to start this report from scratch. This report is somewhat indicative of the trend we are seeing with ORDC's federal programs, they are becoming increasingly data driven and the staff has to strike a balance to provide enough documentation and data to justify our decisions, but to ensure that we do not remove decision-making ability from our field staff and managers. Essentially, we are working very hard to ensure that our processes and their measures stay a decision making tool and not the decision-maker.

4. Documentation for programs and processes: While we have always had descriptions of our programs and the Commission structure helps to maintain transparent decision-making, I believe there is a need to provide better documentation on how staff advances projects throughout the entire process. This issue was identified first on the grade crossing programs but we quickly realized that there is a need to have a master document or documents that track our internal project development process. Considering 9 of the 16 staff members of the

Commission will be eligible to retire in the next five years, there is an increased level of urgency for this effort that has not existed in the past. With the size of our agency and the limitations that are presented to us with budget, I believe the best succession planning we can do is sound documentation on how our programs work at the staff level.

5. City of Jackson Letter: Attached is a copy of a letter that I sent to US Rail and the City of Jackson. While the letter is self- explanatory, I just want to assure the Commissioners that the decision to send it was not taken lightly and is the culmination of a great deal of debate, discussion and multiple outreach efforts to shippers, the railroad and city by staff.

6. Rehabilitation Program: There are two projects on this agenda that are the result of our annual rehabilitation program solicitation. Unlike years past, instead of approving all of the rehab projects at one or two meetings, they will be brought before the Commission for consideration throughout the fiscal year. This decision is the direct result of our reduced budget. Historically we have allocated our grant funds 50/50 between the rehab program and our spur projects. However, with our reduced grant funds of approximately 1.3 million and the current estimated demands on the funding, we are holding funding back to ensure that we can be responsive to direct job creating projects with companies. If not, given our current projected spending based on projects in the pipeline, we would only have about $10,000 left for the rest of the year.

7. Thanks to Commissioner Rasmus for taking time out of his schedule to meet with me and tour his facility. It just reaffirmed my thought that there is a lot in common between the needs of the maritime industry and the rail industry and the role of government to support those industries in Ohio.

8. A new effort underway is working with the railroads on their interaction with local highway authorities and ODOT on public projects that involve railroads. I am currently facilitating conversations and gathering information and I am not yet sure if there is any formal role the commission can or should play but will keep the Commission updated on these activities. Thanks to Commissioner Lozier for assisting me in contacting the County Engineers Association.

9. Finally, I think that I would be remiss if I did not mention the significant challenges we are all facing with the uncertainty of federal funding. While it might not receive as much attention as the higher profile economic development projects that the Commission approves, the majority of our budget, $15 million, is dedicated federal highway funding for grade crossing improvements. To put it simply, both in the long term and short term, the actions or lack of action in Washington directly affect our ability to perform our jobs because of the Commission's dependence on federal funding for certain rail projects. I would encourage all of you when the opportunity presents itself to express this to our elected federal officials.

Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

General Program Questions

Question # 2 - Railway-highway grade crossing program reporting period.

Response 1- State Fiscal Year: July 1 To June 30

Supporting Text:

Question # 3 - Describe the overall efforts funded by Section 130.

Response 1- Ohio is a crossroads state with an extensive transportation infrastructure that features a dense network of railroads. There are over 5,236 miles of active mainline rail in the state as well as 121,241 miles of roadway. Consequently, there are a large number of public crossings. As of 2010 there were approximately 5,900 public crossing of which 53% (3,127) have lights and gates, 35% (2,065) have passive systems such as crossbucks and 12% (708) have flashing lights. The number of crossings with gates and lights has continued to increase every year while, at the same time, the total number of crossing has decreased. In addition, the state also features approximately 2,257 grade separations.

In addition to the physical infrastructure in the state, Ohio ranks 6th in the nation with 36 freight railroad companies operating in the state. This equates to Ohio ranking 4th in the nation with 5,236 rail miles, including four (4) Class 1 Railroads and one Regional Railroad. Rail carriers also transport a wide variety of items including everything from passengers to raw materials and finished products. Because of its location relative to the rest of the nation, a number of major North/South and East/West rail lines run through the state which substantially increases the number of rail cars that pass through the state on a daily basis.

Effectiveness: Based upon the high volume of rail traffic, roadway users and rail grade crossings, the opportunity for crashes in Ohio is higher than in most other states. However, at the same time, the trend in the state has been a decline in crashes, with a 52% decrease in crashes over the last ten years. It is clear that the programs being managed by the State are producing results and that grade crossing safety in the state has, and is continuing to, improve. Crashes at locations with active warning devices (lights and gates or flashing lights only) accounted for 70% of all crashes occurring in 2010.

Initiatives: During 2011 the ORDC has focused its efforts in three main areas: warning device improvements accomplished through existing programs, railroad preemption and the Crossbuck Assembly Program. The Crossbuck Assembly Program, initiated in 2011, will install new signs at all public, passive rail-highway grade crossings in the State of Ohio. This is required to meet the ORDC obligation to restore crossbucks at these locations to MUTCD standards following the conclusion of the Buckeye Crossbuck evaluation period. In addition, it will facilitate bringing the passive warning devices into compliance with 2009 MUTCD which requires a stop or yield sign at all passive grade crossings and previous MUTCD editions which specify rectroreflectivity requirements. The purpose of this project is to enhance the safety of the traveling public who are required to regularly travel through these passive public grade crossings by implementing the new MUTCD standards at all public, passive rail-highway grade crossings.

Also in 2011, the ORDC has undertaken to review all its programs and the processes by which projects are selected and progressed. Significant progress has been made in this effort and it is anticipated that this will be complete towards the end of the year or early next year.

Supporting Text:

Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

General Program

Question # 4 - Describe the status of data acquisition and analysis efforts (including inventory and other efforts utilizing the two percent funding allowance)

Response 1- In FY 1999, the ORDC funded the creation of a State of Ohio Grade Crossing Inventory Database. This online tool allows anyone with Internet access to view photographs of the actual crossings as well as query relevant data about the crossing. The PUCO is charged by the Ohio Revised Code (ORC) to maintain the Grade Crossing Inventory for the State of Ohio.

The data is updated to reflect warning device improvements and/or modifications made by the State of Ohio. In addition, the ORDC continues to collect information related to railroad data from Ohio's carriers. Some updates are the result of the investigation of constituent reports from the Angels on Track Foundation, a private grade crossing safety advocacy organization. Occasionally investigations disclose inaccuracies in the inventory data which is subsequently corrected. These efforts require no specific expenditure of funds.

For Fiscal Year 2012, the PUCO and the ORDC intend to identify and fund improvements to the existing database system. The improvements are likely to include the addition of fields for signal preemption studies, modifications to support new FRA requirements for the Crossing Inventory Form, modification of the train count fields, and enabling the railroads to individually update train counts using a website.

In addition the PUCO and ORDC intend to convert the Railroad Information System (RRIS) Application upgrade to a Web-based solution. The current PUCO-RRIS (version 2) is based on the Microsoft Access 2003 technology platform with database tables stored in a SQL Server 2005 system. The system code uses legacy database technologies such as DAO (Data Access Objects), which are planned for removal in future versions of Windows. The database was not designed for use over the limited bandwidth Wide Area Network (WAN) connections ORDC uses to access the application. Furthermore, outside agencies such as the railroad companies and the FRA can only access a small portion of the data available on the public website (gradecrossings.puc.state.oh.us).

PUCO and ORDC intend to upgrade the application to a web-based system capable of working efficiently using a standard Internet web browser. The primary benefit is greater inter-agency collaboration between PUCO, ORDC, railroad companies, and the FRA. Such benefits could potentially include:

1. The railroads could update train counts using the website rather than submitting the counts to the PUCO for manual entry. PUCO and ORDC may find it beneficial to enable other outside agencies to update information as well. All changes to data would be strictly controlled by security privileges, audit logging, and a review process.

2. More granular access controls would enable the PUCO to grant certain privileges to specific users. The current system only controls if a user has read and write access to an entire module (crossings, accidents, projects, etc.). This would provide flexibility in using staffing resources between the two agencies to maintain the database.

3. The publicly accessible website will be upgraded for a modern look and feel and include integration with the latest location-based technologies such as Google Earth and Maps.

4. The creation of a feature to export data files automatically to the FRA, in compliance with the Railroad Safety Act of 2008.

Report Status:

Reported By: Hughes, Jonathan

General Program

Supporting Text:

Question # 5 - Reporting period for railway-highway grade crossing program funding.

Response 1- State Fiscal Year: July 1 To June 30

Supporting Text:

Question # 6 - Input the number of projects and estimated costs by roadway functional class.

Response 1

Functional Classification of Projects	Number of Projects	Estimated Costs	Federal Share (%)
Rural minor arterial	3	$587,260	38.06%
Rural major collector	5	$1,091,909	42.2%
Rural minor collector	3	$669,234	62.49%
Rural local	34	$7,702,916	68.46%
Urban other principle arterial	1	$205,042	16.07%
Urban minor arterial	9	$2,289,859	46.45%
Urban collector	9	$2,755,696	49.06%
Urban local	21	$6,462,370	48.31%

Supporting Text:

Question # 7 - Input the number of crossings and program emphasis areas by crossing type.

Response 1

Crossing Type	Number of Crossings
At-grade active warning devices	47
At-Grade passive warning devices	37

Supporting Text:

12

Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

General Program

Question # 8 - Reporting period for railway-highway grade crossing program evaluation

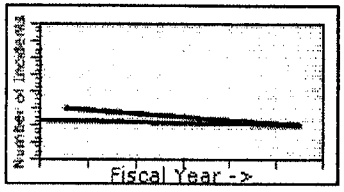
Response 1- Calendar Year: Jan. 1 To Dec. 31

Supporting Text:

Question # 9 - Input data on a variety of performance measures.

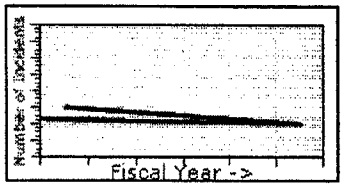
Crashes

Year	Number of Incidents
2011	64



All Injuries

Year	Number of Incidents
2011	14



Fatalities

Year	Number of Incidents
2011	4
2010	6
2009	11
2008	8

12

Online Reporting Tool

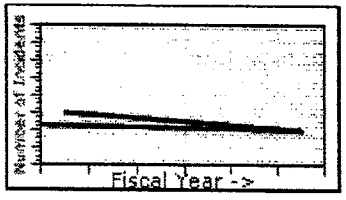
Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

General Program

2007	15
2005	7



Supporting Text:

Question # 10 - Describe any other aspects of the Section 130 program effectiveness on which you would like to elaborate.

Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

General Program:

Response 1- ORDC Railroad Grade Crossing Safety Programs fund highway-railroad grade crossing safety improvements or corrective activities to alleviate highway-railroad hazards and are primarily funded from the Federal Highway Administration (FHWA) Highway Safety Improvement Program and Surface Transportation Program. Historically, ORDC has received $15 million per fiscal year. This exceeds the $8.2 million set-aside for railroad grade crossing safety in the Transportation Equity Act for the 21st Century and the Safe Accountable, Flexible Efficiency Transportation Equity Act – A Legacy for Users (SAFETEA-LU) by $6.8 million. In addition to this annual expenditure of $15 million, the ORDC assists ODOT and Metropolitan Planning Organizations (MPO) with the administration of all grade crossing safety improvement projects. An example of this activity would be federal set-asides.

Corridor Program - To benefit from economies of scale and the closure of redundant crossings, the State of Ohio promotes the concept of upgrading segments of rail, with multiple crossings, at one time. The objective is to 'seal' high density rail segments with state of the art active warning devices. In FY 2011 two (2) new corridors, with 203 public grade crossings, were under development.

Statewide Railroad Preemption Project – Evaluates and prioritizes improvements for highway-rail grade crossings and nearby highway traffic signals that are or should be interconnected for the purpose of interrupting the normal sequence of the traffic signal in order to clear vehicular traffic from the crossing area before train arrival at the crossing. The goal is to reduce this type of accident by developing and implementing standards for establishing appropriate railroad preemption timing parameters and making other improvements to the operations and control equipment for both the highway-rail grade crossing and highway traffic signal systems. Of 185 identified locations, two have been addressed and 29 are in progress. The remaining crossings are under review and prioritized for improvements as funds are available.

Grade Crossing Consolidation Program - The ORDC has aggressively pursued the closure of redundant crossings for decades. Through this program, safety improvements and/or incentive funds for crossing closure are offered to the local community. Improvements may include flashing lights and roadway gates at other grade crossings in the community, surface reconstruction, profile improvement, and/or railroad infrastructure improvements that can benefit the highway user and/or the creation of parallel roadways.

County Task Force/Constituent Initiated Programs - The ORDC considers local level grass root interests in grade crossing safety a critical component of its overall program. By outreach to the County Engineer's Association of Ohio, County Commissioners' Associate, Ohio Transportation Engineering Conference (OTEC), and the Angels on Track Foundation (AOT), the ORDC has assisted with the creation of approximately one dozen County Railroad Safety Task Force organizations. ORDC staff is active on each of the Task Force groups and attempts to partner with local groups to fund safety projects that they prioritize. In addition to Task Force groups, Local Highway Authorities (LHA) may request assistance funding the local share of the PUCO State-funded light and gate projects. Constituent reports, including 320 AOT reports received in FY2011, are investigated in depth and in some cases are selected for improvements.

Fatal Crash Upgrade Program initiated by the ORDC in 2001. When a community in Ohio experiences a fatal grade crossing crash, the ORDC obtains a crash report from the law enforcement agency that investigated the crash and determines if a field review of the crossing is needed. If the field review concludes that an engineering improvement would reduce the chance of another crash, the ORDC initiates a project to implement corrective action.

Supporting Text:

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Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

Project Metrics

Question # 11 - List the projects obligated using RHGCP funds for the reporting period.

Response 1

Project Number	Location	USDOT Crossing Number	Project Type	Crossing Protection	Crossing Type	Total Project Cost	Funding Type	Before Crash Data (Years)	After Crash Data (Years)
89396	Allen-TR209/N Cool Road	532698C	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	193000	Section 130	5	
89402	Allen-CR-152/Shawnee Road	476914P	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	193000	Section 130	5	
88440	Ashland-County Road 1075	503096H	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	269220	Section 130 & HSIP	5	
88476	Auglaize-CR 190/Buckland-Holden	258626V	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	171830	Section 130	5	
87951	Butler-TR 45/Taylor Road	154092R	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	178743	HSIP, State & Private	5	
87953	Butler-TR 49/Ringwood Road	154089H	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	165039	HSIP, State & Private	5	

Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Highway Safety Improvement Program
Data Driven Decisions

Report Status:

Reported By: Hughes, Jonathan

Project Metrics

88182	Carroll-Minerva OHIC	503463N, 503439M	1 closure and 1 resurfacing	Active	At-grade active warning devices	109546	Section 130 & Local	5	
88478	Champaign-CR 184/Dallas Road	527960J	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	199650	Section 130	5	
88481	Champaign-CR 79/Thackery Road	258739B	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	268014	Section 130, State & Private	5	
88509	Clark/Green-Corridor-NS	523515H, 262208L, 523519K, 523522T, 523524G, 523526V, 523527C, 523529R, 527809G	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	2676750	Section 130 & Private	5	
89280	Crawford-SR103-21.64	001964F	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	191993	HSIP	5	
90197	Cuyahoga-Olmsted Falls	523835H, 523836P	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	639772	Section 130	5	
80532	Cuyahoga-Sheldon Rd	523940J	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	296123	Section 130, Congressional Set-Aside & Private	5	
89365	Darke-CR 33/CH Bradford	523348L	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	129724	Section 130	5	

Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

Project Metrics

88482	Darke-Jackson Street	538806S	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	925123	Section 130, State & Private	5	
89372	Darke-Steffin Street	538792L	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	234625	Section 130	5	
89466	Defiance-Snyder Road	142343Y	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	202413	Section 130	5	
89284	Erie-Maple Avenue	481653C	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	210000	Section 130	5	
88439	Erie-Potter Road	481642P	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	280340	Section 130 & HSIP	5	
88256	Fairfield-CR 20/Pickerington Road	228945G	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	163915	HSIP	5	
88442	Fayette-Oakland Avenue	151917K	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	206000	Section 130 & HSIP	5	
89375	Hamilton-Linden Street	524738C	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	279348	Section 130	5	
89373	Hamilton-Norwood Avenue	525293H	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	279348	Section 130	5	

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Online Reporting Tool

Railway - Highway Grade Crossing Program

Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

Project Metrics:

87666	Hamilton-State St	524800K	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	193000	HSIP	5	
88257	Hancock-Huntington Road	513683L	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	364917	HSIP	5	
86720	Hankcock-TR 261	472441A	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	304193	Section 130, HSIP & private	5	
87817	Huron-New State Road	001983K	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	193000	HSIP	5	
88479	Logan-CR 20	513789G	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	181028	Section 130	5	
89281	Lorain-Jones Road	473585H	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	166517	Section 130	5	
86392	Lorain-North Ridgeville	523844G, 523845N, 523847C, 523848J	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	2377100	Section 130, Congressional Set-Aside, HSIP, ARRA and Private	5	
89294	Lucas-Airline Yard-Westwood	867092L, 509451P	Consolidation-closing & resurfacing	Active	At-grade active warning devices	404754	Section 130 & STP	5	
88674	Lucas-Laskey Road	258243T	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	146892	Section 130	5	

Project Number	Location	Crossing Number	Project Type	Project Status	Warning Device Type	Estimated Cost	Funding Source	Federal Share	
88468	Madison-Gregg Road	525133U	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	228060	Section 130 & Private	5	
88450	Madison-Madison Road	527997Y	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	358000	Section 130 & private	5	
88447	Madison-Maple Street	525141L	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	358000	Section 130, HSIP & Private	5	
88449	Madison-Oak Street	528001U	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	390000	Section 130 & Private	5	
88510	Madison-Spring Valley Road	525139K	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	300028	Section 130 & Private	5	
88663	Mahoning-Meridian Rd	262368A	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	228000	Section 130 & private	5	
83370	Medina-City of Medina	002087A, 002086T, 002083X, 002088G, 002085L, 002084E, 002089N	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	1435293	Section 130, STP, State, Local & Private	5	
89282	Medina-West Smith Road	002071D	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	158430	Section 130	5	
86363	Montgomery-Alex Road	524644B	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	301872	HSIP & private	5	

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Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

Project Metrics

90407	Ottawa-Benton-Carroll Road	473769H	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	217991	Section 130	5	
83791	Ottawa-SR 19-04.31	509389G	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	109472	Section 130, HSIP & private	5	
89283	Pickaway-West Mound Street	481421M	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	246546	Section 130	5	
88508	Portage-TR 009	472642R	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	168255	Section 130	5	
89492	Portage-TR/Spell Road	472673P	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	193000	Section 130	5	
89353	Richland-Rock Road	152179A	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	157060	Section 130, State & private	5	
88480	Ross-Second Street	481384M	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	320322	Section 130	5	
88590	Seneca-TR 126/Reedtown Road	481620P	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	224120	Section 130	5	
88518	Stark-Belden Rd	474543A	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	171154	Section 130	5	

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Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

Project Metrics

89720	Stark-Canal Street	474321R	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	193000	Section 130	5	
86381	Stark-Village of Hartville	472624T, 472625A, 472632K	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	1061232	Section 130 & ARRA	5	
89405	Summit-SR 082 & 091	472689L, 475950G	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	386000	Section 130	5	
89023	Tuscarawas-1st & 4th	142585U, 142586B	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	258216	Section 130, State & Private	5	
88240	Tuscarawas-TR 350	474256M	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	181105	HSIP, State & private	5	
89253	Van Wert-SR 118-9.92/Shannon Street	523451Y	Active grade crossing equipment Installation/upgrade	Active	At-grade active warning devices	173000	HSIP	5	
89376	Warren-TR 173/Eltzroth Road	151323L	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	193000	Section 130	5	
88441	Wayne-Pleasant Home Road	473528U	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	211736.38	Section 130 & HSIP	5	
86727	Wood-Lincoln & Washington	155795W, 155798S	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	557483	Section 130 & HSIP	5	

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Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Highway Safety Improvement Program
Data Driven Decisions

Report Status:

Reported By: Hughes, Jonathan

Project Metrics

89465	Wood-Maplewood Road	155775K	Active grade crossing equipment Installation/upgrade	Passive	At-Grade passive warning devices	210264	Section 130	5	

Supporting Text:

Question # 12 - Enter the crash data that is used to measure project effectiveness for both the before and after period.

Response 1

Project Number	Location	Fatal Crashes	Serious Injuries	Other Injuries	PDO-Only	Other Description	Other	Benefit Cost Ratio	Other Measures	Other Measures
89396	Allen-TR209/N Cool Road			2					Hazard Ranking	153
89402	Allen-CR-152/Shawnee Road								Hazard Ranking	497
88440	Ashland-County Road 1075			1					Hazard Ranking	9
88476	Auglaize-CR 190/Buckland-Holden				1				Hazard Ranking	80
87951	Butler-TR 45/Taylor Road	1							Hazard Ranking	371
87953	Butler-TR 49/Ringwood Road								Hazard Ranking	473
88478	Champaign-CR 184/Dallas Road								Hazard Ranking	53
88509	Clark/Green-Corridor-NS	1								
89280	Crawford-SR103-21.64				1				Hazard Ranking	183
90197	Cuyahoga-Olmsted Falls								Hazard Ranking	455
80532	Cuyahoga-Sheldon Rd								Hazard Ranking	485
89365	Darke-CR 33/CH Bradford				1				Hazard Ranking	122

Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

89372	Darke-Steffin Street	1							Hazard Ranking	180
89466	Defiance-Snyder Road								Hazard Ranking	191
89284	Erie-Maple Avenue			1					Hazard Ranking	156
88439	Erie-Potter Road			1					Hazard Ranking	145
88256	Fairfield-CR 20/Pickerington Road								Hazard Ranking	287
88442	Fayette-Oakland Avenue		1						Hazard Ranking	20
89375	Hamilton-Linden Street	1							Hazard Ranking	187
89373	Hamilton-Norwood Avenue			1					Hazard Ranking	144
87666	Hamilton-State St								Hazard Ranking	126
88257	Hancock-Huntington Road			1					Hazard Ranking	161
87817	Huron-New State Road		2						Hazard Ranking	22
88479	Logan-CR 20			1					Hazard Ranking	46
89281	Lorain-Jones Road			1					Hazard Ranking	142
86392	Lorain-North Ridgeville								Hazard Ranking	82
88674	Lucas-Laskey Road	1								
88449	Madison-Oak Street	1	4						Hazard Ranking	20
88663	Mahoning-Meridian Rd			1					Hazard Ranking	157
83370	Medina-City of Medina			2					Hazard Ranking	60
89282	Medina-West Smith Road		1						Hazard Ranking	185
86363	Montgomery-Alex Road								Hazard Ranking	455
90407	Ottawa-Benton-Carroll Road	1		1					Hazard Ranking	54
83791	Ottawa-SR 19-04.31								Hazard Ranking	48

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Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

Project Metrics:

89283	Pickaway-West Mound Street							Hazard Ranking	141
88508	Portage-TR 009			1				Hazard Ranking	152
89492	Portage-TR/Spell Road							Hazard Ranking	172
88480	Ross-Second Street			1				Hazard Ranking	70
88590	Seneca-TR 126/Reedtown Road	1		1					
88518	Stark-Belden Rd	1						Hazard Ranking	152
89720	Stark-Canal Street			1				Hazard Ranking	160
86381	Stark-Village of Hartville			1				Hazard Ranking	145
89405	Summit-SR 082 & 091			1				Hazard Ranking	152
88240	Tuscarawas-TR 350		1						
89376	Warren-TR 173/Eltzroth Road			1				Hazard Ranking	169
88441	Wayne-Pleasant Home Road							Hazard Ranking	63
86727	Wood-Lincoln & Washington		2					Hazard Ranking	107
89465	Wood-Maplewood Road							Hazard Ranking	190

Supporting Text:

Question # 13 - Describe any other aspects of the project metrics on which you would like to elaborate

Response 1- One method of evaluating the program has been the before and after hazard index of the project grade crossings. Using a selection of 15 grade crossings reported in 2009, and improved from passive or flashing lights only to flashing lights and roadway gates, the hazard ranking improved by an average of 1,847 with a standard deviation of 1,817. The range of the hazard ranking improvement was 67 to 4,700. For the current year projects, after hazard ranking is not yet available.

Supporting Text:

Online Reporting Tool

Railway - Highway Grade Crossing Program
Ohio - 2011

Report Status:

Reported By: Hughes, Jonathan

Optional Attachments:

Sections	Files Attached

OHIO RAIL DEVELOPMENT COMMISSION

1980 WEST BROAD STREET • COLUMBUS, OH 43223

JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

August 23, 2011

Mayor Randy Heath
City of Jackson
145 Broadway Street
Jackson, OH 45640

Mr. Gabe Hall
Chief Executive Officer
US Rail Corporation
7846 West Central Avenue
Toledo, OH 43617

Dear Mayor Heath and Mr. Hall:

This letter is in response to a recent application to the Ohio Rail Development Commission (ORDC) for FY 2012 funding for the Jackson Rail Line as well as to various conversations US Rail, the City, and ORDC staff have had about the need for more improvements along the line.

The State of Ohio has a long history of supporting the Jackson Rail Line. ORDC and its predecessor agency have provided about $5.3 million in grant funding, and $1.3 million in loan funding since the City acquired the line in 1986. Our State support for the railroad reflects the value of rail service to rail-dependent shippers like Bellisio Foods, AluChem, Austin Powder, Ohio Basic Minerals, General Mills, and others as well as the need to keep basic infrastructure like rail lines intact for current and future economic development needs.

I was glad to hear that significant new sand traffic is developing along the line. With fuel prices increasing, it will only be a matter of time before more current and potential shippers want to increase their rail usage. In a normal situation, ORDC would be working with the City, US Rail, shippers, and public officials to figure out how to increase investment in track improvements to foster economic growth through effective rail freight transportation. We would be looking to the Ohio Department of Development (ODOD) for 629 Roadwork Development funds for crossing upgrades, to the county and ODOD for Community Development Block Grant funds, to the Appalachian Regional Commission and the Governor's Office on Appalachia for special Appalachian funding, and to ORDC's own grant and loan programs.

Unfortunately, these are not normal times for the Jackson Rail Line. The relationship between the City and US Rail has deteriorated to the point that you both are spending tens, if not hundreds of thousands of dollars fighting each other in court instead of coordinating on how to improve the line.

ORDC staff cannot in good faith continue to recommend spending additional State funds on the Jackson Line, or encourage other public and private entities to invest in the line, as long as the poisoned atmosphere of the court proceedings continues. Instead of taking a lead role in the continued improvement of the Jackson Line, I believe the most prudent position for ORDC right now is to sit on the sidelines and see what is left after the dust settles from the lawsuit.

I see five possible outcomes from the current situation:

1) The City and US Rail spend hundreds of thousands of dollars in what could well be a protracted court battle and the City wins the suit and finds another rail operator to take over a line that has suffered through the process.
2) US Rail and the City spend hundreds of thousands of dollars in what could well be a protracted court battle and US Rail wins the suit leaving it with much fewer resources to continue operating under an agreement with a City that may be hostile toward the railroad.
3) The City cuts its losses by turning the Jackson Rail Line over to a local Port Authority or the State of Ohio and gets out of the railroad business leaving the new owner to figure out how to deal with the rail line.
4) US Rail cuts its losses and leaves the railroad to whomever the City finds to operate it.
5) Both parties set aside the law suit, negotiate, and compromise to develop a new working relationship that they, public bodies like ORDC, and private entities such as the shippers can support for the betterment of rail service along the line.

ORDC's interest remains in keeping the Jackson Rail Line vital for the shippers and for the economic development of the area. We hope that the fifth option will be pursued to this end. We look forward to a time when we can continue our work to improve the rail line infrastructure to this end.

Thank you for considering ORDC's views.

Cordially,

Matthew R. Dietrich
Executive Director

C: State Representative John Carey
State Senator David Daniels
Vaughn Wilson, Ohio Department of Transportation District 9
Greg Murphy, Ohio Department of Transportation
Nathan Green, Ohio Department of Development

MEMORANDUM
September 2, 2011

TO: ORDC Commissioners
FROM: Megan McClory
SUBJECT: Finance Report

Accomplishments and Highlights of the Finance Section from July 16, 2011 to September 2, 2011:

1. **Finance Reports.** Staff has prepared statements to reflect current outstanding loans, revenue collection, and project balances.

2. **2012 Meeting Calendar.** A draft 2012 meeting calendar is attached for review and comment.

3. **ARRA Projects.** ORDC continues to work with ODOT and the Ohio Division of the Federal Highway Administration to administer approximately $70 million of Ohio's ARRA funds for rail-related projects. All projects have been authorized by the Federal Highway Administration for funding and are in various stages of preparation/bidding/construction/completion. *(Updates since the July report are italicized.)*

   Project Updates:
   - Camp Chase Bridge over West Broad Street (Columbus): Construction is complete.
   - Cleveland Commercial Railroad tie replacement: Construction is complete.
   - RJ Corman Western Ohio Lines tie replacement and surface reconstruction: Construction is under way.
   - City of Jackson rail line rehabilitation: Construction is complete.
   - Panhandle Rail Line rehabilitation: Construction is complete.
   - Heartland Corridor Extension to Cincinnati (NS): Construction is under way. Three of the five clearance locations are either complete or very near completion; the two new support tracks at the Rickenbacker Intermodal Facility are also very near completion. The two remaining clearance projects are expected to be finished in late 2011.
   - Wheeling & Lake Erie Railroad rehabilitation: Construction is complete.
   - Airline Yard Intermodal Facility (NS): Construction is under way.
   - West Central Ohio Port Authority (WESTCO) tie replacement, surface reconstruction, and bridge rehabilitation: Construction is complete.
   - City of Medina rail line rehabilitation: *A construction contract award is pending.*
   - City of Youngstown/Brier Hill Industrial Park: *The City has entered into a construction contract and a pre-construction meeting was held August 17. Construction is expected to begin very shortly.*
   - Toledo Shipyard (Toledo/Lucas County Port Authority) Rail Spur: Construction is complete.
   - General Cargo Facility 1 (Toledo/Lucas County Port Authority) Rail modernization: Construction is complete.
   - CSX National Gateway Vertical Clearances: In support of the National Gateway Initiative, there are four roadway bridges being replaced, one roadway bridge being

removed, and two railroad interlockings being constructed. Construction contracts are moving forward. *The project to remove the Park Street bridge in Akron is nearly complete. The 5th Street replacement project in Niles is being accelerated due to the bridge's destruction during a derailment in August.* Design has begun as part of the design-build project for Mud Lake Road in Medina County. Construction of the railroad interlockings at Kent and Ravenna is underway.

4. **National Gateway Bridge Project Right-of-Way Acquisition.** The ORDC has entered into a three-party agreement with ODOT and CSX for the acquisition of property related to the River Corners/Pawnee Road bridge replacement project. This project is part of the CSX National Gateway Initiative and is the bridge replacement is being funded by the Ohio Department of Development. In order to ensure that all land acquisition requirements are met, ODOT is acquiring the property needed for this project. ORDC is providing funds to ODOT for the acquisition and then will invoice CSX for full reimbursement of those costs. The final cost estimates have been received and total $89,090. Acquisition is expected to be completed later this fall.

ORDC - Loan Payback (Active Loans)
September 1, 2011

	Loans	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	App, Loan, Interest & Admin. Fees	Total Payments
*FY04 Columbiana County Port Authority **	*$2,098,047*	*$1,187,955*						***$112,722***	***$2,210,768***
FY04 Maumee & Western *	$199,088	$17,209						***$8,460***	***$207,548***
FY07 Marion Industrial Center *	$273,000	$68,569	$22,856					***$32,078***	***$305,078***
FY07 WESTCO *	$308,000	$50,026	$50,026	$50,026	$25,013			***$35,760***	***$343,760***
FY08 WESTCO (Sugar Creek Bridge) *	$280,417	$43,189	$43,189	$43,189	$43,189	$17,995		***$20,147***	***$300,565***
FY07 Village of Leipsic *	$825,000	$135,713	$135,713	$135,713	$135,713	$67,857		***$52,702***	***$877,702***
FY09 Lancaster Port Authority *	$145,163	$29,017						***$4,911***	***$150,074***
FY09 WESTCO (Springfield/WCH) *	$400,000	$60,079	$60,345	$60,345	$60,345	$60,345	$5,029	***$20,513***	***$420,513***
FY09 Maumee & Western (HotStart) *	$90,000	$18,397	$18,700	$18,700	$17,142			***$3,871***	***$93,871***
FY10 Deltech Polymer *	$337,457	$70,015	$70,519	$70,519	$70,519	$11,753		***$15,986***	***$353,443***
FY10 Ashland Railway *	$280,000	$56,419	$58,512	$58,512	$58,512	$48,760		***$13,349***	***$293,349***
FY10 New Horizons Baking Company *	$50,000	$9,167	$10,411	$10,449	$10,449	$10,449	$871	***$2,795***	***$52,795***
FY06 Wheeling & Lake Erie ***	$150,000								
FY08 MGQ, Inc. ***	$300,000								
FY08 City of Jackson ***	$300,000								
FY11 MPR Supply Chain Solutions ***	$250,000								
FY11 American Rail Center ***	$500,000								
FY11 D&L Energy Rail Spur ***	$163,000								
FY11 Novotec Rail Spur ***	$100,000								
	$7,049,172	**$1,745,755**	**$470,273**	**$447,454**	**$420,883**	**$217,160**	**$5,900**	***$323,292***	***$5,609,464***

Loan Amount Received to Date: **$146,389**
Loan Balance Due: **$1,599,366**

*Loans Active
**Loans Paid Off
***Loans in Process

Revenue Received FY 2012
August 2011

Name	CT #	Invoice #	Reimbursements 7002/GRF	Reimbursements 4N4(53490)	Gas & Oil Leases, Royalties and Other - 4N4 (49995)	ORDC Loan Payment - 4N4 Fees (29991)	ORDC Loan Payment - 4N4 Princ. (79955)	ORDC Loan Payment - 4N4 Inter. (79956)	Running Total
Ashland Railway	Electronic Transfer						4,666.67	0.00	68,205.56
Deltech Polymers	Electronic Transfer						5,624.28	0.00	73,829.84
Lancaster Port Auth	Electronic Transfer						4,090.42	54.85	77,975.11
MIC	Electronic Transfer						5,335.31	378.81	83,689.23
Maumee & Western (Rehab)	Electronic Transfer						2,434.03	24.44	86,147.70
Maumee & Western (HotStart)	Electronic Transfer						1,473.28	57.54	87,678.52
Village of Leipsic	Electronic Transfer						10,054.21	1,255.24	98,987.97
WESTCO #1 (bridge)	Electronic Transfer						3,495.14	673.69	103,156.80
WESTCO #2 (bridge)	Electronic Transfer						3,160.86	438.23	106,755.89
WESTCO #3 (rehab)	Electronic Transfer						4,512.92	515.87	111,784.68
Time Warner Cable	8	(new agreeement)			350.00				112,134.68
Enervest Operating	9	FY2011/RA008811			250.00				112,384.68
New Horizons Baking Company	10	RA000611					833.33	0.00	113,218.01
Resource Energy	11				56.79				113,274.80
Genesee & Wyoming	12	Apex-July			9,610.00				122,884.80
Genesee & Wyoming	13	RA001011			2,500.00				125,384.80
		Monthly Total	0.00	0.00	12,766.79	0.00	45,680.45	3,398.67	61,845.91
		Grand Total	0.00	0.00	35,594.70	500.00	84,172.69	5,117.41	125,384.80

OHIO RAIL DEVELOPMENT COMMISSION
APPROPRIATION LEDGER
Month Ending August 31, 2011

FUND	SAC	FEDERAL STATE/OTHER	ORIGINAL APPROPRIATION	TRANSFERS	UNASSIGNED	ADJUSTED APPROPRIATION	OPEN ENCUMBRANCES	TOTAL DISBURSED	UNENCUMBERED BALANCE	PERCENT UNOBLIGATED	SAC DEFINITION
GRF	4FA5	STATE	1,363,500.00	0.00	0.00	1,363,500.00	0.00	0.00	1,363,500.00	100.00%	GRANT (ALL)
GRF	465M	STATE	24,500.00	0.00	0.00	24,500.00	702.75	1,928.95	21,868.30	89.26%	PERSONAL SERVICE/OTHER
GRF	4651	STATE	568,000.00	0.00	0.00	568,000.00	0.00	103,822.59	464,177.41	81.72%	PAYROLL
GRF	4652	STATE	44,000.00	0.00	0.00	44,000.00	0.00	2,285.82	41,714.18	94.80%	OFFICE EXPENSE
	FUND TOTAL		**2,000,000.00**	**0.00**	**0.00**	**2,000,000.00**	**702.75**	**108,037.36**	**1,891,259.89**	**94.56%**	**FUND TOTAL - GRF**
7002	4FN7	FEDERAL	1,124,800.00	5,680,976.96	0.00	6,805,776.96	5,331,781.36	0.00	1,473,995.60	21.66%	GRADE CROSSING PAVEMENT
7002	4FP7	FEDERAL	13,075,200.00	10,128,399.24	80,200.00	23,123,399.24	3,403,435.54	0.00	19,719,963.70	85.28%	GRADE CROSSING DEVICES
7002	4SP1	FEDERAL	865,000.00	0.00	0.00	865,000.00	0.00	116,524.16	748,475.84	86.53%	GRADE CROSSING SAFETY'S PAYROLL
7002	4SP2	FEDERAL	3,000.00	0.00	0.00	3,000.00	0.00	922.80	2,077.20	69.24%	GRADE CROSSING SAFETY'S TRAVEL
7002	4SPM	FEDERAL	7,200.00	0.00	0.00	7,200.00	7,200.00	0.00	0.00	0.00%	PERSONAL SERVICE SAFETY
	FUND TOTAL		**15,075,200.00**	**15,809,376.20**	**80,200.00**	**30,804,376.20**	**8,742,416.90**	**117,446.96**	**21,944,512.34**	**71.24%**	**FUND TOTAL - 7002**
4N40	6FC5	OTHER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	
		OTHER	0.00	44,090.00	0.00	44,090.00	44,090.00	0.00	0.00	0.00%	RAIL TRAN - OTHER ASSISTANCE
4N40	6FC9	OTHER	1,856,000.00	(44,090.00)	0.00	1,811,910.00	0.00	0.00	1,811,910.00	100.00%	RAIL TRAN - LOANS
4N40	6FD9	STATE	764,300.00	0.00	0.00	764,300.00	0.00	0.00	764,300.00	100.00%	PANHANDLE LEASE PAYMENT
4N40	611M	OTHER	10,000.00	0.00	0.00	10,000.00	0.00	0.00	10,000.00	100.00%	COUNSEL - PANHANDLE LINE
4N40	6111	STATE	218,000.00	0.00	0.00	218,000.00	0.00	34,266.64	183,733.36	84.28%	PAYROLL(PROPERTY MGNT)
4N40	6112	OTHER	27,500.00	0.00	0.00	27,500.00	0.00	0.00	27,500.00	100.00%	PAYROLL(ASST. ATTORNEY GENERAL)
	FUND TOTAL		**2,875,800.00**	**0.00**	**0.00**	**2,875,800.00**	**44,090.00**	**34,266.64**	**2,797,443.36**	**97.28%**	**TOTAL - OTHER ASSISTANCE**
	GRAND TOTAL		**19,951,000.00**	**15,809,376.20**	**80,200.00**	**35,680,176.20**	**8,787,209.65**	**259,750.96**	**26,633,215.59**	**74.64%**	

OHIO RAIL DEVELOPMENT COMMISSION: Finance Report (FY 2012)

GRF APPROPRIATION AVAILABLE FOR PROJECTS

GRF APPROPRIATION FOR PROJECTS		**1,360,000**
LESS: BUDGET REDUCTION (net)		
LESS: PROJECTS ENCUMBERED or DISBURSED		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
LESS: PROPOSED GRF COMMITMENTS FOR FY 2011		
RJ Corman Wooster Line	**105,000**	
W&LE Sandyville Line	**200,000**	
TOTAL	*305,000*	*-305,000*
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***1,055,000***

**The balance of the Lancaster Port Authority Transload is encumbered in the transload fund.*

RAIL DEVELOPMENT FUND 4N40 - REVOLVING LOAN FUND	**Uses of funds**	**Spending Authority**	**Cash**
Cash Balance as of 7/15/2011			6,063,537
LESS: OPEN ENCUMBRANCES	3,178,615		
LESS: PANHANDLE RESERVE FUND	764,300		
TOTAL	*3,942,915*	*0*	*-3,942,915*
FISCAL YEAR 2011 APPROPRIATION		2,111,500	
LESS: PAYROLL AND OTHER COSTS (Budgeted)	255,500		
LESS: PROJECTS ENCUMBERED or DISBURSED			
River Corners-Pawnee Rd Acquisition (National Gateway)	**44,090**		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
Jamen Corporation	**350,000**		
LESS: PROPOSED COMMITMENTS FOR FY 2011			
TOTAL	*649,590*	*-649,590*	*-2,111,500*
APPROPRIATION BALANCE OF FUND 4N40 AVAILABLE FOR PROJECTS		***1,461,910***	
ADDITIONAL CASH BALANCE OF FUND 4N40 AVAILABLE*			***909,121***

**Funding projects beyond the appropriation balance would require Controlling Board approval.*

FY 2011 Project Balance Summary

Remaining GRF Appropriation for Projects	**1,055,000**
Remaining 4N40 Appropriation for Projects	**1,461,910**
Balance of ORDC Appropriations for Projects	**2,516,910**

OHIO RAIL DEVELOPMENT COMMISSION

1980 WEST BROAD STREET • COLUMBUS, OH 43223

JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

DRAFT 2012 Meeting Schedule **DRAFT**

January 19 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

March 8 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

May 10 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

July 19 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

September 20 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

November 8 – Ohio Department of Transportation Headquarters, Lower Level, 1980 West Broad Street, Columbus

Standing Committees will meet at 10:00 a.m.

Commission meetings begin at 11:00 a.m.

This schedule is subject to change. Please visit the ORDC website at www.dot.state.oh.us/ohiorail prior to the scheduled meeting or call the Commission office at (614) 728-9497 to confirm dates, times, and locations.

Updated 9/2/2011

PROJECT BRIEFING:
ADMINISTRATION OF TRAC AWARD FOR THE VILLAGE OF LEIPSIC RAILROAD PROJECT

July 15, 2011

Project Cost		**Project Benefits**
Railroad Infrastructure Improvements	**$800,000**	**Railroad infrastructure connection to Job Ready Site**

INTRODUCTION: ODOT's Transportation Review Advisory Council (TRAC) awarded $800,000 in non-federal, non-state-gas-tax funds to the Village of Leipsic's proposal for rail infrastructure at the Village of Leipsic's Iron Highway Industrial Park. ORDC staff requests Commission approval to administer those funds on behalf of ODOT.

BACKGROUND: The "Iron Highway Industrial Park" is located just north of the Village of Leipsic proper in Putnam County. The Park is served by two natural gas providers, four electric providers, has raw and treated water, and excess waste water capacity. The Park is bounded by CSX on the east, the Indiana & Ohio Railway (I&O) on the west, and the Norfolk Southern (NS) on the south which led some in the economic development community to call the area the "Golden Triangle." In May 2007, ORDC approved grant ($100,000) and loan ($825,000) funding to help build 13,800 feet of new rail track in order to connect CSX, Norfolk Southern (NS) and the Indiana & Ohio Railway (I&O) to the Iron Highway Industrial Park in Leipsic and to commence tri-rail service to a Poet Ethanol facility.

To further develop the rail capacity at the park, the village applied to ODOT's TRAC for funds to design an $11 million railroad infrastructure project that would augment the capacity of existing rail users and provide substantial on-site infrastructure at the village's Job Ready Site. During further project development, the village, ODOT District 1, and ORDC determined that the best use of funds would be to construct as much infrastructure as possible with the funds available, as well as preserving flexibility for potential users of the Industrial Park and the Job Ready Site. The immediate plan is to construct a connection for the Job Ready Site to the existing railroad infrastructure. The village, ODOT, and ORDC further agreed that ORDC's processes are more appropriate given the nature of the project and the funding source.

PROJECT DESCRIPTION: An aerial view of the Iron Highway TRAC Project Site is attached to this briefing as "Exhibit A." The project is expected to consist of preliminary design of a new NS connection from the NS mainline to the Village Track, design of a new Wye Track off of the Village Track, design of new "Proposed Track #6" off the new Wye Track, and construction of as much of the new Wye Track and Track #6 as possible with the existing funding.

PROJECT BENEFITS: The project will design and construct rail infrastructure connecting the existing Village Track to the Job Ready Site. ORDC administration of the TRAC funds will streamline project development.

RESOLUTION 11-09
RE: TRAC AWARD FOR VILLAGE OF LEIPSIC RAILROAD PROJECT

A RESOLUTION TO ADMINISTER FUNDS AWARDED TO THE VILLAGE OF LEIPSIC BY THE TRANSPORTATION REVIEW ADVISORY COUNCIL ("TRAC") UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration an $800,000 award from the Ohio Department of Transportation's TRAC for the construction of rail infrastructure at the Iron Highway Industrial Park located in Leipsic in Putnam County, Ohio; and

WHEREAS, the ORDC is charged by ORC 4981.03(A)(1) with developing, promoting and supporting safe, adequate and efficient rail service throughout the state; and

WHEREAS, ORC 4981.02(F) authorizes the department of transportation to use all appropriate sources of revenue to assist the commission in developing and implementing rail service; and

WHEREAS, the ORDC is charged by ORC 4981.032 to issue grants and loans to any transportation authority or to any person for the purpose of continuing or instituting rail transportation in the state; that such grants and loans may be used for rehabilitation, construction, planning, relocation, or acquisition of rail transportation or rail property, or for substitute service; and such grants and loans may be provided by the commission with funds from the United States government, the state, any transportation authority, or any person, or from any combination of those sources; and

WHEREAS, ORC 4981.07(C) permits the ORDC to enter into agreements with the department of transportation, boards of county commissioners, boards of township trustees, legislative authorities of municipal corporations, with other governmental agencies or organizations, and with private corporations or organizations in order to facilitate implementation of rail service;

NOW, THEREFORE, BE IT RESOLVED, that the ORDC hereby authorizes the ORDC to administer the TRAC award identified above.

Moved By _____
Seconded By _____

Upon roll call, the vote resulted as follows:

James G. Bradley, Chairman	____	yes	_____	no	_____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	____	abstained	____ recused
Robert Greenlese	____	yes	_____	no	_____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	____	abstained	____ recused
William Lozier	____	yes	_____	no	_____	absent	____	abstained	____ recused
Thomas McOwen	____	yes	_____	no	_____	absent	____	abstained	____ recused
Ronald C. Rasmus	____	yes	_____	no	_____	absent	____	abstained	____ recused
Nate Green for Christiane Schmenk	____	yes	_____	no	_____	absent	____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	____	abstained	____ recused
Gregory Murphy for Jerry Wray	____	yes	_____	no	_____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 9/15/2011

CERTIFICATE

I, the undersigned Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 9/15/2011
James G. Bradley, Chair Date

PROJECT BRIEFING:
W&LE SANDY LINE SAFETY TIE PROJECT

September 8, 2011

Project Costs		Project Benefits
ORDC Grant	**$200,000**	**Enhanced Safety for HazMat Shipments**
W&LE Investment	**$150,000**	**Supports 25 Rail-Dependent Jobs**
		Supports $130 million in Commerce a Year
		Helps Keep 6,780 Trucks off Ohio Roads a Year

INTRODUCTION: The Wheeling & Lake Erie Railway (W&LE) sought ORDC grant money to fund 50% of a $784,000 rehabilitation project on its Canton to Sandyville/Mineral City "Sandy" of "Sandyville" rail line between MP 3.0 and MP 15.0. ORDC Staff recommends that ORDC Commissioners approve a $200,000 grant for the first phase of the needed work, i.e. the immediate installation of 5,000 safety ties along the line to ensure safe operations through the upcoming winter. ORDC's Executive Director has sent a commitment letter to W&LE for $200,000 in grant funding contingent upon ORDC Commissioners' approval to enable W&LE to start work on the safety tie project. ORDC staff does not at this time recommend additional ORDC funding for any future phases of the Sandy Line rehabilitation that may be undertaken due to lack of ORDC funding for rail projects.

BACKGROUND:

Brief, Recent History of the Line: Until the mid-1980's, CSX predecessors (the Baltimore & Ohio/Chessie Systems) ran what was called the CT&V Line (Cleveland Terminal & Valley) from Cleveland Union Terminal to Sandyville/Mineral City. The CT&V ran from Cleveland to Akron via the Cuyahoga River Valley and then to Canton via North Canton, and finally down to Sandyville/Mineral City. A map of the area including the Canton to Sandyville/Mineral City Sandy Line is included as Exhibit "A".

Most of the CT&V line from Cleveland to Akron was abandoned in the mid-1980's and taken over by the operations of the Cuyahoga Valley Scenic Railway (CVSR). Only a small portion at the north end of this line segment in Cleveland remained in freight operations and is currently operated by CSX. The non CSX portion of the Cleveland to Akron line is owned by the National Park Service.

W&LE acquired the south end of the CT&V line from Canton to Sandyville/Mineral City line in 1994 from CSX. At the same time, W&LE took over operations of the CT&V Line from Canton to North Canton from CSX via a lease arrangement.

Subsequently, in 2000, Akron Metro purchased the CT&V Line from Akron to Canton from CSX. W&LE remained the operator from Canton to North Canton. CSX retained operations on the north end of this segment in the Akron area for several years after the Akron Metro purchase but Akron Metro now leases the entire Akron to Canton portion of the CT&V to the W&LE.

Current Operations on the Sandyville Line: The Sandy Line extends from MP 3.0 near Sandyville/Mineral City to MP 15.9 in Canton. There are four rail users along the line. JMW Trucking Rail Transfer in Canton has transloaded small amounts of bulk products from time to time but has not used the line in the past two years. JMW has an indoor transfer facility and is permitted to handle Municipal Solid Waste but has not generated rail activity for MSW movements along the Sandy Line in recent years. Whitacre Engineering in Sandyville has transloaded steel bars from time to time for Sparta Steel. Sparta Steel a few miles north of Sandyville recently reopened its own transloading operation and is currently generating several carloads of inbound steel product a year that Whitacre used to handle. American Refining Group in Sandyville is by far the major shipper on the line. It gathers oil via truck transport from within 50 to 70 miles of Sandyville and rails it to Bradford, Pa.

where another American Refining facility refines it. American is responsible for the overwhelming majority of the 1,786 cars a year generated on the Sandyville Line. (The 1,786 number is an average of yearly carlodings on the line from 2008 to 2010.)

For many years, W&LE has been serving American Refining out of Akron 3 or 4 times a week. W&LE Akron crews carrying 12 empty tankers travel about 40 miles to get down to American Refining (via the W&LE line through Hartville, a former N&W line, not via the CT&V line through N. Canton*), perform their switching (dropping off empties, picking up loads), and then return to W&LE's Brittain Yard in Akron with 12 loaded tankers. Another Akron based crew from a W&LE affiliate railroad, the Akron, Barberton Cluster Railway (ABC), takes the oil tank cars and interchanges them with CSX in Barberton. CSX takes the cars to Pittsburgh where they are interchanged with the Buffalo & Pittsburgh Railroad - B&P - (a Genesee & Wyoming railroad) for final delivery to American Refining's Bradford, Pennsylvania refinery. Recently W&LE and American started testing an alternative route with W&LE crews taking loads to Pittsburgh for interchange with the Allegheny Railroad. The Allegheny then interchanges the cars with the B&P for delivery to Bradford Pa..

*W&LE is not able to serve American via the Akron Metro owned CT&V line because there is no longer a connection between the Akron to Canton portion of the line and the Canton to Sandyville/Mineral City portion of the line because the McKinley Diamond across the Norfolk Southern mainline in Canton has been taken out.

Sandy Line Economics: The rail rates for the three railroad trip (W&LE/ABC, CSX, and B&P, or W&LE, Allegheny, & B&P) from Sandyville to Bradford need to be competitive with truck rates for what would be about a 220 mile truck trip (one way). American Refining's large rail volumes make the rail moves profitable but the W&LE operating costs of serving a customer which in effect is at the end of a 40 mile long branchline are considerable. Looking at the annual carloads as they relate to only the 13 mile long Sandyville line yields a carload per mile figure of about 137 cars. However, looking at the line in terms of a 40 mile long round trip for the current Akron routing, the American Refining carloads equate to about 45 carloads per mile operated annually. The average per mile W&LE investment in maintaining the track on the Sandy Line exceeds the average net profit per mile for the line.

Economic Development Potential along the Line: The Sandy Line runs roughly parallel to Nimischillen Creek for many miles through the hills of eastern Ohio. The presence of the creek limits development potential along the line as does the dearth of large, flat properties. There is one large, flat area at the south end of the line that could be developed in the future for rail served industries but the basic utilities need to be brought to the property.

Up until about a year ago, US Ceramics operated a plant just south of East Sparta. The property is now being redeveloped. The plant sits on over 700 acres but much of it is hilly. There are about 400,000 sq. ft. of buildings on the property that are in good condition and which do have the needed utilities. There is one company in the facility now using about 50,000 sq. ft. but it does not use rail.

The major development potential on the Sandy Line lies with Marcellus and Utica Shale oil and gas production. American Refining already gathers about 1.3 million barrels of oil a year from within 50 to 70 miles of Sandyville. With sweet Ohio crude coming from Utica Shale drilling, American is set to potentially expand its operations to gather much more crude in Sandyville. Using $100 per barrel as a rough valuation, the current value of oil handled by American annually is $130,000,000. In addition to more oil gathering, drilling efforts in Marcellus and Utica Shale offer potential for "frac" sand and stone movements for the Sandy Line, the sand to pump into well shafts to support them while keeping oil and gas flowing through the sand, and the stone for the 10 acre drilling site areas and the roads to get to them.

Current Track Conditions: The Sandy Line track is primarily adequate 100 lb. welded rail with some small sections of 110, 112, and 115 lb. jointed rail. Bridges and culverts are in adequate condition. The track bed is high and dry. The track geometry is good. The only major issue with the track is the tie condition. Tie renewal

is needed immediately to prevent the line from downgrading from FRA Class I (10MPH) track to "Excepted Track". Because of federal safety regulations, W&LE could not adequately serve American Refining if the track were to be classified as Excepted. Because the crude oil American gathers is a hazmat substance, W&LE could not move more than 5 cars of oil at a time on the Excepted track; and W&LE could not move the oil at all over bridges or over at-grade road crossings where the tie condition of the approaches were Excepted.

PROJECT DESCRIPTION: Ultimately, the Sandy Line needs about 850 to 900 ties a mile plus resurfacing between MP 3 and MP 15. That would equate to about 11,200 ties. At about $70 per tie, the tie project alone would cost about $784,000 plus surfacing costs of a dollar or so a foot.

To keep the line safe and to effectively serve American Refining, W&LE has started a safety tie project, i.e. the installation of 5,000 ties. The cost of this safety tie project at $70 per tie will be about $350,000. The chart below lays out the scope of work for the safety tie project.

Sandyville Line Safety Tie Project

Mileposts/Tie Installation Locations	Number of Ties To Be Installed
3 to 4	450
4 to 5	591
5 to 6	269
6 to 7	351
7 to 8	485
8 to 9	593
9 to 10	257
10 to 11	553
11 to 12	183
12 to 13	667
13 to 14	445
14 to 15	156
Total	5,000

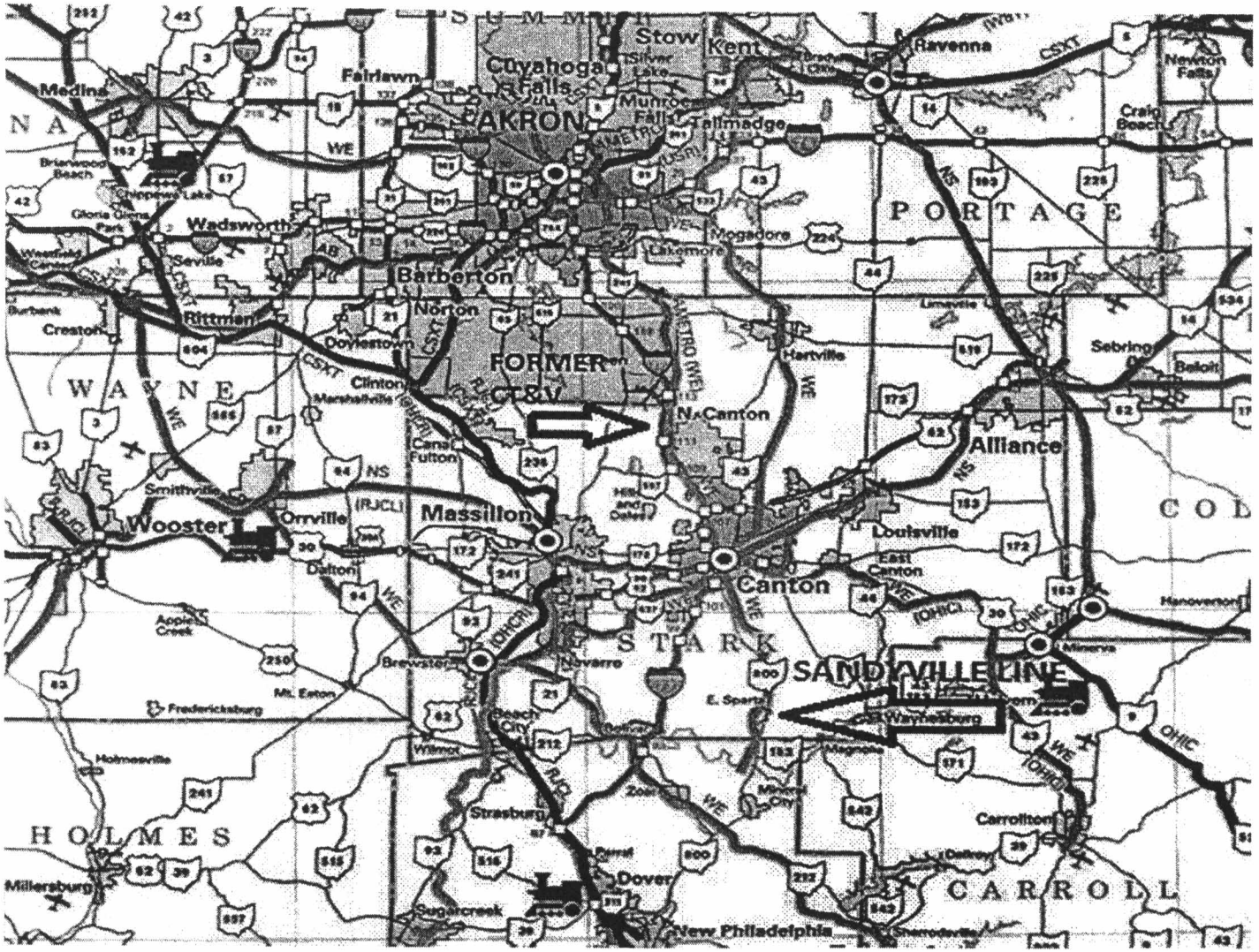
W&LE has begun the safety tie project with its own forces. W&LE would be responsible for ORDC mandated line maintenance requirements once the ORDC funded safety tie project is completed.

WHY ORDC FUNDING IS NECESSARY: The economics of the line operations are not sufficient to cover all the costs of needed safety tie and other track work.

PROJECT BENEFITS:

- Improved track conditions mean safer transport of crude oil, a hazmat substance.
- Keeping effective rail operations to American Refining helps to preserve 25 jobs at the American Sandyville oil gathering facility and helps preserve approximately $130,000,000 in oil commerce that flows through the American plant.
- Keeping effective rail service to American helps keep an average of 6,780 trucks off of Ohio highways.
- A listing of project benefits from the ORDC "Benefits Calculator" is included herein as Exhibit "B". Note that the benefits include railroad savings from increasing track conditions to FRA Class II, 25 MPH. These benefits will only accrue if and when W&LE invests additional funds in the Sandy Line beyond the safety tie work included in the ORDC funded project.

W&LE SANDY LINE



Existing Service Benefits

V - Shipper Transportation Cost Data	
	Existing Savings
1. Truck Costs	$4,175,276
2. Rail Costs	$1,418,783
3. Projected Shipper Transportation Cost Savings	$2,756,493

VI - Fuel Usage Data (OH)	
	Existing Savings
Fuel Savings (OH) (# Gallons)	166,356
Value of Fuel Savings	$615,518

VII - Highway Cost Savings Data - Project Totals (OH)	
	Existing Savings
1. Highway Maintenance Costs Savings (OH)	$123,018
2. Highway Congestion Cost Savings (OH)	$53,146.42

VIII - Highway Safety Data (OH)	
	Existing Savings
1. Reduced # of Trucks	8,521
2. Reduced Fatalities (OH)	0.081323944
3. Value of Reduced Fatalities	$487,944
4. Reduced Injuries (OH)	2.05
5. Value of Reduced Injuries	$190,459

IX - Environmental Emissions Data (OH)		
	Tons Reduced	Value
1. Carbon Monoxide Reduction	1.80	
2. Nitrogen Oxide Reduction	27.42	$109,672
3. Particulate Matter	0.20	$33,330
4. Carbon Dioxide	1849.22	$61,024

RESOLUTION 11-11

RE: WHEELING & LAKE ERIE RAILWAY SANDY LINE SAFETY TIE PROJECT GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE WHEELING & LAKE ERIE RAILWAY UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to Wheeling & Lake Erie Railway (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By _____

Seconded By _____

Upon roll call, the vote resulted as follows:

James G. Bradley, Chairman	____	yes	____	no	____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____ recused
Robert Greenlese	____	yes	____	no	____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____ recused
William Lozier	____	yes	____	no	____	absent	____	abstained	____ recused
Thomas McOwen	____	yes	____	no	____	absent	____	abstained	____ recused
Ronald C. Rasmus	____	yes	____	no	____	absent	____	abstained	____ recused
Nate Green for Christiane Schmenk	____	yes	____	no	____	absent	____	abstained	____ recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____ recused
Gregory Murphy for Jerry Wray	____	yes	____	no	____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 9/15/2011

CERTIFICATE

I, the undersigned Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 9/15/2011
James G. Bradley, Chair Date

EXHIBIT A

A grant to the Company pursuant to Section 4981.032 of the Ohio Revised Code in the amount up to Two Hundred Thousand Dollars ($200,000) (the "ORDC Grant") to install safety ties on the Company's Canton to Sandyville/Mineral City line located between MP 2.5 and MP 15.5 in Stark County ("Rail Service Project"). The terms of the ORDC Grant shall be determined by the Executive Director of ORDC.

The ORDC Grant is subject to the following condition:

The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending the ORDC Grant.

PROJECT BRIEFING

GLASS ROCK BRANCH LEASE EXTENSION WITH THE NEWARK, HEATH, AND BUCKEYE SCENIC RAILWAY, DBA ZANESVILLE AND WESTERN SCENIC RAILROAD

September 8, 2011

INTRODUCTION: ORDC Staff recommend Commission approval of an extension of the lease agreement with the Zanesville & Western Scenic Railroad (Z&WSR) for the Glass Rock Branch for the purpose of clearing the line of brush, storing rail equipment, and making repairs to the rail property in order to begin passenger excursion operations.

BACKGROUND: The Glass Rock Branch is an ORDC-owned and rail banked line that is approximately 14 miles long and extends from an intersection with the Ohio Southern near Avondale (Muskingum County) to Glass Rock in Perry County. The Glass Rock Branch has been out of service for more than 10 years, but the Z&WSR intends to restore it to sufficient condition to operate passenger excursions. In September of 2008, the Executive Director of the ORDC entered into a one-year agreement to allow the volunteer organization to access the property and clear brush in order to make it accessible for rail and bridge inspectors.

In September of 2009, the ORDC approved a two-year lease agreement, under which the Z&WSR could proceed with further clearance of the line and begin the tie replacements, bridge repairs, and slip repairs needed to make the line operable. The agreement will continue to require that ORDC give prior approval for most activities on the line, including brush clearing and repair work. The requirements help ORDC monitor activities and progress along the line. The specific uses that can be authorized under the agreement are:

- Storage of locomotives, cabooses, gondolas, maintenance of way cars, maintenance equipment, coaches, and other rail equipment as authorized by ORDC;
- Cutting, removing, and controlling brush from the property with the advanced written consent of ORDC;
- Inspecting the property;
- Making repairs to the track, roadbed, and structures of the property with the advanced written consent of ORDC;
- Moving Cars and Equipment for purposes of storage at East Fultonham with the advanced written consent of ORDC;
- Conducting maintenance activities on rail equipment stored on the property; and
- Conducting events on the property with the advanced written consent of ORDC.

The extended agreement does not include any provisions for the operation of excursion service. ORDC intends to work with the Z&WSR to ensure that both the line and the organization are capable of offering the service.

LEASE EXTENSION: The Z&WSR has spent a significant amount of time assessing the line and the possibilities for excursion service. The Z&WSR proposes initial operating service from Mt. Perry Foods over approximately .7 miles of track. In order to implement this service, the Z&WSR proposed, and staff agrees, with the following terms for the lease extension:

The extension will expire no later than June 30, 2012.
The Z&WSR will provide written updates, at least monthly, to ORDC staff.

The following target dates will apply:
November 28, 2011 – Have brush cleared from track on Initial Operating Segment (MP 50.50 to MP 51.17)
February 27, 2012 - Have necessary railway equipment at Mt. Perry
March 31, 2012 - Meet with County and Township officials to review traffic control procedures
April 30, 2012 – Have sufficient crossties installed to permit Initial Operating Segment track to be designated FRA Class I
April 30, 2012 – Have Initial Operating Segment inspected and approved by FRA
May 14, 2012 – Have vegetation control spray applied on Initial Operating Segment (subject to weather during period)
May 30, 2012 – Have necessary railway operating personnel selected and trained
May 31, 2012 - Have passenger loading platform erected at Mt. Perry (opposite Mt. Perry Foods)
June 18, 2012 – Conduct initial introductory trips over Initial Operating Segment for ORDC staff and community leaders

All other terms of the existing lease will remain as they currently stand. Should the Z&WSR be unable to meet the indicated milestones, the lease would terminate and the Z&WSR would have 60 days to remove its equipment from the property.

RESOLUTION 11-12

RE: AUTHORIZING OHIO RAIL DEVELOPMENT COMMISSION TO ENTER INTO A LEASE EXTENSION WITH THE NEWARK, HEATH AND BUCKEYE SCENIC RAILWAY DBA ZANESVILLE AND WESTERN SCENIC RAILROAD CONCERNING THE GLASS ROCK BRANCH OF THE PANHANDLE RAIL LINE

A RESOLUTION TO AUTHORIZE ORDC TO EXTEND INTO A LEASE UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the authority pursuant to Revised Code Section 4981.08(A) to lease any rail property in which it has an interest for the continuation and operation of rail service; and

WHEREAS, the ORDC is authorized by ORC 4981, Sections .14 (9) and (18) to exercise all powers necessary or appropriate to carry out its corporate purposes including the authority to make and enter all agreements necessary to the performance of its duties and the execution of its powers; and

WHEREAS, ORDC has leased the Glass Rock Branch Rail Line to the Newark, Heath and Buckeye Lake Scenic Railway, doing business as the Zanesville and Western Scenic Railroad for the past three years for the purpose of preparing the Glass Rock Rail Line for use as an excursion line, to store equipment and for various other operational purposes; and

WHEREAS, the ORDC now desires to extend the lease with the Newark, Heath and Buckeye Lake Scenic Railway, doing business as the Zanesville and Western Scenic Railroad, for a period from September 2011 through June 2012.

NOW, THEREFORE, BE IT RESOLVED that the ORDC hereby authorizes its staff to exercise all powers necessary or appropriate to enter into a lease extension for the Glass Rock Branch Rail Line with the Newark, Heath and Buckeye Lake Scenic Railway, doing business as the Zanesville and Western Scenic Railroad.

Moved By _____

Seconded By _____

Upon roll call, the vote resulted as follows:

James G. Bradley, Chairman	____	yes	____	no	____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	____	no	____	absent	____	abstained	____ recused
Robert Greenlese	____	yes	____	no	____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____ recused
William Lozier	____	yes	____	no	____	absent	____	abstained	____ recused
Thomas McOwen	____	yes	____	no	____	absent	____	abstained	____ recused
Ronald C. Rasmus	____	yes	____	no	____	absent	____	abstained	____ recused
Nate Green for Christiane Schmenk	____	yes	____	no	____	absent	____	abstained	____ recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____ recused
Gregory Murphy for Jerry Wray	____	yes	____	no	____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 9/15/2011

CERTIFICATE

I, the undersigned Chair of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 9/15/2011
James G. Bradley, Chair Date

APPROVED PROJECT BRIEFING:
RJ CORMAN CLEVELAND LINE
WOOSTER BRANCH REHABILITATION

September 15, 2011

Project Costs		Project Benefits
* ORDC Grant	$105,000	* Improves Service to Rail-Dependent Shippers
* RJ Corman Investment	$105,000	Employing 300 People

INTRODUCTION: The RJ Corman Railroad (RJC) requested a $105,000 grant to cover one half the costs of a track rehabilitation project on its Wooster Line. ORDC staff recommends that ORDC provide $105,000 toward the proposed $210,000 project to install 1,500 ties, renew crossing surfaces, and surface & line select portions of track, and related track work on the Wooster Branch in Wooster, Ohio.

BACKGROUND

RJ Corman Eastern Ohio Rail Lines: RJC acquired the 48.8 mile long rail line from Warwick (MP 108.3) to Uhrichsville (MP 59.5) from CSX in 1988. This line was formerly part of the Cleveland, Lorain, and Wheeling Railroad (CL&W) and was called the CL&W line by CSX and its predecessor railroads. That is why RJC calls the line the Cleveland line.

The Cleveland Line connects to the CSX Baltimore to Chicago mainline at a small yard in Warwick, to the Norfolk Southern Pittsburgh to Crestline branchline at Massillon, to the Wheeling & Lake Erie Railway at Brewster, to the Ohio Central at Justice near Brewster, and to the Columbus & Ohio River Railroad at Uhrichsville. A map of the Cleveland Line is attached as Exhibit A.

RJC operates the Cleveland Line in conjunction with its operations on its Wooster Branch. The Wooster Branch was purchased from CSX in 2002. RJC trains reach the Wooster Branch via trackage rights over Norfolk Southern from Massillon to Wooster. The Cleveland line is FRA Class 2 track, while the Wooster branch is excepted track. A map of the Wooster Branch is attached as Exhibit B.

Rail Business on the Cleveland Line: RJC serves 6 rail users on the Wooster Branch. These shippers have averaged 523 carloads/year over the past 3 full years, and employ approximately 300 people. RJC is also actively working with the Wayne County Economic Development Committee on ways to generate more rail traffic. There are potential new business opportunities as well as increased volumes from current customers along this line.

PROJECT DESCRIPTION: RJC has prepared the following estimate for the needs of the Wooster branch:

Wooster Branch Project Costs

Location	Work Items	Unit Costs	Total Costs
MP 0 to 3.5	1500 ties	$80/tie	$120,000
MP 0 to 3.5	500 tons ballast	$22/ton	$11,000
MP 0 to 3.5	3.5 miles surfacing	$6,864/mi.	$24,024
MP 0 to 3.5	150tf crossing renewal	$350/tf	$52,500
			$207,524

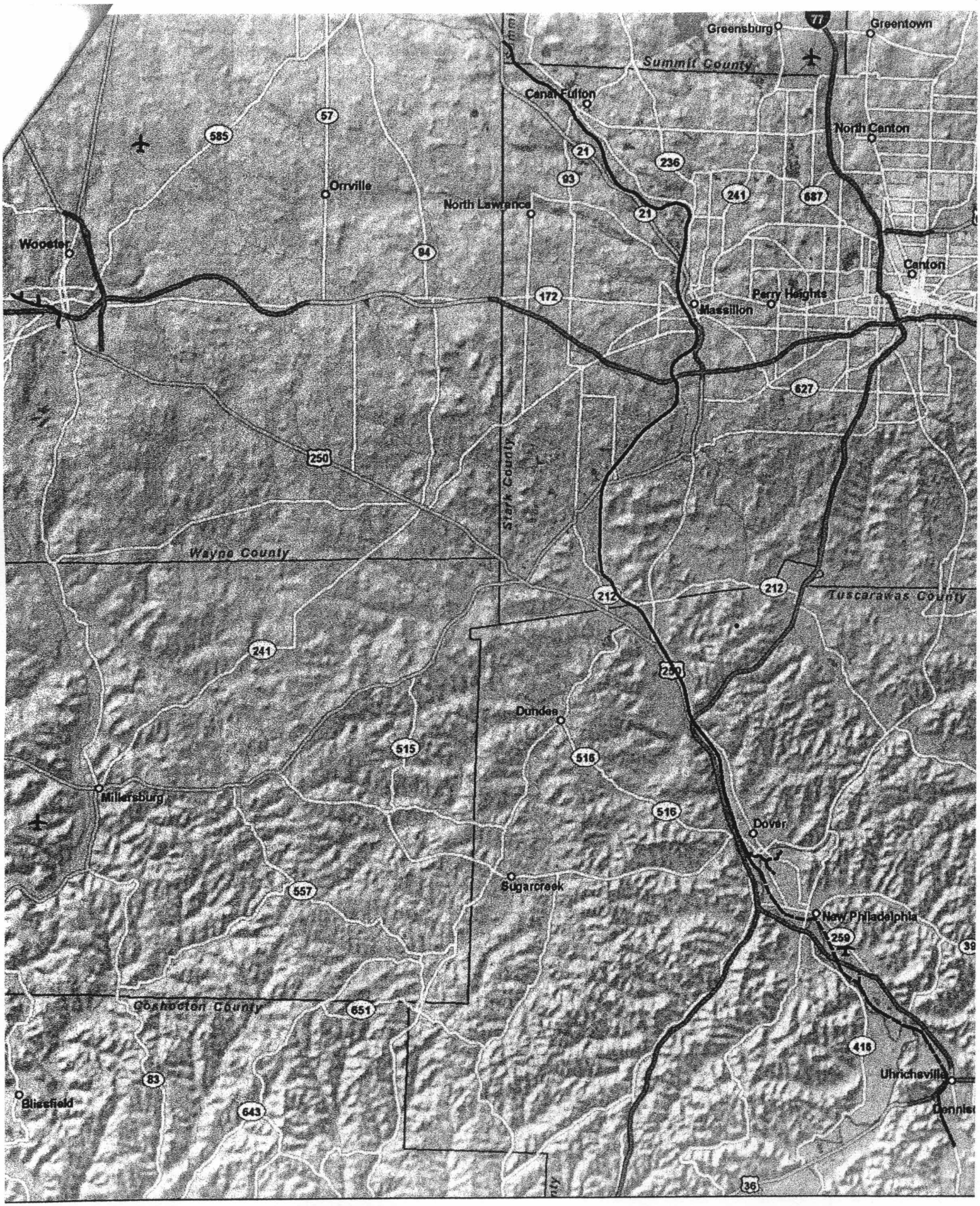
RJC would do the track rehabilitation work with its own personnel and would be responsible for continued maintenance. Work would be performed as force account.

WHY ORDC FUNDING IS NEEDED: ORDC grant funding will help RJC reduce track related delays and improve service to shippers.

PROJECT BENEFITS

- The track to be rehabilitated serves RJC customers in Wooster who employ approximately 300 people.
- Potential new business opportunities in conjunction with the Wayne County Economic Development Committee.
- The project will ensure continued track safety and the ability to continue to operate at accepted track speeds as well as safely haul heavy rail cars.
- A listing of project benefits from the ORDC "Benefits Calculator" is included herein as Exhibit C.

OTHER CONTRIBUTIONS: RJC will provide 50% of project funding.



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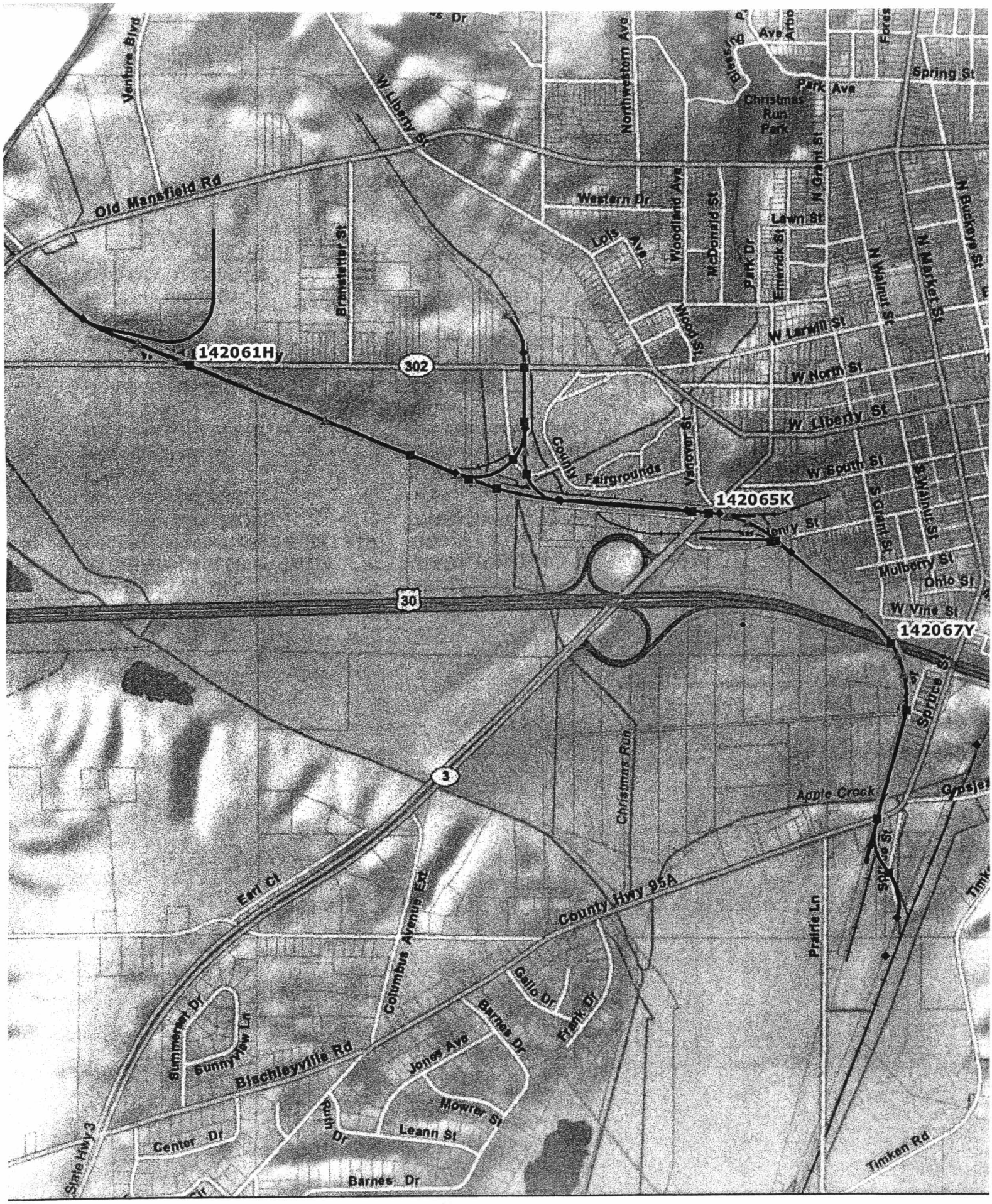
RJCL - CLEVELAND LINE



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RJCL - WOOSTER BRANCH

Existing Service Benefits

V - Shipper Transportation Cost Data	
	Existing Savings
1. Truck Costs	$415,296
2. Rail Costs	$141,120
3. Projected Shipper Transportation Cost Savings	$274,176

"C"

VI - Fuel Usage Data (OH)	
	Existing Savings
Fuel Savings (OH) (# Gallons)	40,028
Value of Fuel Savings	$148,103

VII - Highway Cost Savings Data - Project Totals (OH)	
	Existing Savings
1. Highway Maintenance Costs Savings (OH)	$22,579
2. Highway Congestion Cost Savings (OH)	$12,078.88

VIII - Highway Safety Data (OH)	
	Existing Savings
1. Reduced # of Trucks	2,516
2. Reduced Fatalities (OH)	0.014926464
3. Value of Reduced Fatalities	$89,559
4. Reduced Injuries (OH)	0.38
5. Value of Reduced Injuries	$34,958

IX -Environmental Emissions Data (OH)		
	Tons Reduced	Value
1. Carbon Monoxide Reduction	0.48	
2. Nitrogen Oxide Reduction	6.82	$27,296
3. Particulate Matter	0.06	$10,185
4. Carbon Dioxide	444.95	$14,683

OHIO RAIL DEVELOPMENT COMMISSION

1980 WEST BROAD STREET • COLUMBUS, OH 43223

JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

September 15, 2011

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **RJ CORMAN CLEVELAND LINE: WOOSTER BRANCH REHABILITATION** and dated September 15, 2011 as described in that briefing.

Matthew R. Dietrich
Executive Director

James G. Bradley
Chairman

APPROVED PROJECT BRIEFING:
MARNE CULVERT REPLACEMENT

September 8, 2011

Project Costs		Project Benefits
Railroad Culvert Replacement	**$215,000**	**Long-term Mitigation of Flooding Problems** **Eliminates Railroad Inspection Order**

INTRODUCTION: ORDC Staff recommend approval of a grant of $85,000 to assist in the replacement of the Marne Culvert on the Panhandle Rail Line. This project is expected to mitigate a long-term flooding problem.

BACKGROUND: In June of 1990, a heavy rainstorm in the Marne area (east of Newark along the Panhandle Rail Line) resulted in flood damage to area residences. As a result, 38 property owners (19 families) brought suit against Conrail. The plaintiffs claimed that the railroad impeded the flow of water and caused the flooding. The plaintiffs eventually prevailed and monetary damages were awarded. In addition, the railroad (now Caprail, as owners of the line) was ordered to implement a regular maintenance/inspection program, install a trash rack upstream from the existing culvert, and clear debris from the rack and culverts. The railroad has since conducted weekly inspections of the culvert, plus additional inspections in rainy weather.

The railroad subsequently filed a ditch petition with the expectation that a hydraulic study would be conducted to identify the cause of the flooding and the improvements needed to alleviate future problems. The study and the petition were expected to apportion the costs of mitigation activities to the owners of the properties determined to be responsible for the flooding. The Licking County Engineer's Office conducted the study in 2003 and identified improvements. There was no action taken on that study until the Licking County Engineer's Office recently re-examined the study and developed a scope that appears acceptable to all parties.

The Columbus & Ohio River Railroad is prepared to move forward with the railroad portion of the resolution: to replacing the two existing drain pipes under the Panhandle Rail Line with a 16' x 5' box culvert. The railroad will act as the project manager and will provide all necessary funds except for the ORDC grant and the funds to restore the bike path that parallels the rail line. The county will work with the railroad to cover those costs.

PROJECT DESCRIPTION: The railroad will replace the two existing drain pipes with a 16' x 5' box culvert. In addition, the County Engineer's office will widen the downstream stream culvert under Marne Road and provide necessary channelization work for the stream. The railroad will also clean another culvert downstream under the Cambridge line to further improve drainage.

WHY ORDC FUNDING IS NEEDED: Given ORDC's ownership role in the Panhandle Rail Line, ORDC has a vested interest in resolving the chronic flooding problems at this location. In addition, the project represents an extraordinary expense to the railroad and in order to preserve the railroad's maintenance funds, the staff recommends providing assistance with this project.

PROJECT BENEFITS:

- Mitigate flooding problems at this location that have plagued the railroad.
- Relief for the railroad from burdensome inspection requirements.

OTHER CONTRIBUTIONS

- Licking County is covering the costs of restoring the bike path that parallels the Panhandle Rail Line.
- The railroad is serving as project manager and is providing all costs beyond those committed by ORDC and the county.
- The County Engineer is replacing the downstream stream culvert under Marne Road and will conduct other necessary drainage improvements.

OHIO RAIL DEVELOPMENT COMMISSION

1980 WEST BROAD STREET • COLUMBUS, OH 43223

JOHN R. KASICH, GOVERNOR • JAMES G. BRADLEY, ORDC CHAIRMAN

September 15, 2011

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **MARNE CULVERT REPLACEMENT** and dated September 4, 2011 as described in that briefing.

Matthew R. Dietrich
Executive Director

James G. Bradley
Chairman